

**MOTION BY SUPERVISORS YVONNE B. BURKE
AND ZEV YAROSLAVSKY**

NOVEMBER 20, 2007

The County of Los Angeles is responsible for providing healthcare to one of the largest Medicaid eligible populations in the nation. The Departments of Public Social Services (DPSS) and Health Services (DHS) report that there are over 1,600,000 individuals enrolled in the Medi-Cal Program in Los Angeles County --- serving our most vulnerable population.

The healthcare safety net in Los Angeles County and the Medi-Cal beneficiaries it serves are suffering greatly as a result of inadequate Medi-Cal payments and an inappropriately high rate of Treatment Authorization Request (TAR) denials and deferrals. These two issues are major contributing factors in the unusually high and unacceptable number of hospital and emergency department closures in Los Angeles County.

As demonstrated in the 2006 California Medical Assistance Commission (CMAC) Annual Report, hospitals in Southern California receive an average contractual reimbursement rate that is 17 percent lower than what hospitals receive in other regions.

- M O R E -

MOTION

MOLINA	_____
BURKE	_____
KNABE	_____
ANTONOVICH	_____
YAROSLAVSKY	_____

**MOTION BY SUPERVISORS YVONNE B. BURKE
AND ZEV YAROSLAVSKY
NOVEMBER 20, 2007
PAGE 2**

In addition, the California Department of Health Care Services (CDHS) recently conducted a TAR Sample Study that showed hospitals in Los Angeles County face a substantially higher rate of TAR denials and deferrals than any other region in the state. (The study compared how each of the Medi-Cal Field Offices reviewed almost 400 identical TARs.)

Although healthcare financing experts would cite historical reasons for some degree of disparity in the CMAC rate, the present day conditions of healthcare in California require funding parity statewide. The Medi-Cal beneficiaries of Southern California should be entitled to parity in the reimbursement rate with the rest of the state. The net effect on the patients is extremely detrimental. Hence, any disparity in funding of healthcare between Southern California and other parts of the state is inherently unjust to Medi-Cal beneficiaries and must be rectified.

While we are optimistic about the State of California's progressive efforts in the area of healthcare reform, we are also pragmatic in realizing that comprehensive reform can be a complex and lengthy process. In the meantime, Southern California patients will continue to suffer absent immediate action to correct the funding disparity between Southern California and the rest of the State of California.

WE, THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer (CEO) to work in collaboration with the Director of Health Services and CMAC to address the Medi-Cal reimbursement rate disparities between Southern and Northern California; as well as the California Department of Health Services to examine the disparities in the denials of Treatment-Authorization-Requests (TAR) between Southern and Northern California. The CEO's efforts shall include but not be limited to the following:

- M O R E -

**MOTION BY SUPERVISORS YVONNE B. BURKE
AND ZEV YAROSLAVSKY
NOVEMBER 20, 2007
PAGE 3**

- Work with the County's Inter-Governmental Relations (IGR) Division to immediately engage CMAC and CDHS to explore an administrative remedy to both issues; as well as examine the feasibility of legislative relief should administrative relief not be expeditiously available; and
- Engage other Southern California healthcare providers and counties to collaborate with us in order to gain parity on both issues for the entire geographic region.

WE, FURTHER MOVE THAT THE BOARD OF SUPERVISORS:

Direct the CEO to prepare and send a 5-signature letter to the Governor, the Los Angeles County delegation in the state Legislature, the California State Secretary of Health and Human Services, and all members of CMAC, expressing this Board's grave concern with regard to the disparities in the Medi-Cal Program and the TAR Denial Rate and request administrative and/or legislative relief which would yield parity on both issues;

FINALLY, WE MOVE THAT THIS BOARD:

Direct the CEO to report back to this Board with his findings and recommendations, at the January 22, 2008 Board of Supervisors meeting.

#####